

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SAN JOSE

AND

THE ASSOCIATION OF ARCHITECTS AND ENGINEERS, IFPTE LOCAL 21
(AEA UNITS 41/42)

Hourly Status Pilot Project

The City and the Association of Engineers and Architects (AEA Units 41/42, IFPTE, Local 21 ("Union")) agree to conduct an Hourly Status Pilot Project ("Pilot Program") regarding overtime eligibility for specific engineering positions in the San Jose Fire Department.

The terms and conditions of the Pilot Program shall be as follows:

1. Full-time employees in the classification of Associate Engineer (3814) in the Fire Department are the only employees eligible to participate in the Pilot Program. All full-time employees in the classification of Associate Engineer (3814) in the Fire Department will participate.
 - a. Employees assigned to work a higher class assignment at the start and/or during the term of the Pilot Program will not be eligible to participate in the Pilot Program. For any employee who completes a higher class assignment during the term of the Pilot Program, the parties will meet to discuss the terms by which they will be included in the Pilot Program, such as executive leave amounts and eligibility for MPP.
 - b. Employees who transfer to the Fire Department from another City Department during the term of the Pilot Program will not be eligible to participate in the Pilot Program.
2. During the term of the Pilot Program overtime hours assigned and worked in excess of forty (40) actual hours worked per week (not including any paid or unpaid leave) shall be compensated by overtime pay at 1.5 times the employee's hourly rate for the number of overtime hours worked.
 - a. An employee who is approved for an alternative work schedule and is authorized or required to work overtime in excess of forty (40) hours per the employee's designated work week shall be compensated at the rate of 1.5 times the employee's hourly rate except when such excess hours result from a change in the employee's workweek or shift or from the requirement that such employee fulfill their workweek requirement.

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- b. If a participating employee leaves the Fire Department and transfers to another City department during the term of the Pilot Program, that employee will no longer be eligible for overtime compensation.
 - c. All City and Fire Department policies and rules regarding overtime shall apply, including but not limited to an employee must have prior approval from the Fire Department prior to working any overtime and employees will be required to work any assigned overtime hours.
- 3. For payroll calendar year 2016, employees participating in the Pilot Program shall receive twenty four (24) hours of Executive Leave. Because forty (40) hours of Executive Leave have already been provided for 2016, the parties agree that sixteen (16) hours of Executive Leave will be removed from the employee's balance.
 - a. For payroll calendar year 2017, employees will receive a prorated amount of Executive Leave to be equivalent to twenty four (24) hours of Personal Leave, prorated for the number of months the Pilot Program will be in effect in payroll calendar year 2017.
- 4. During the term of the Pilot Program, employees will be eligible to receive only the following limited Management Performance Program (MPP) benefits:
 - a. Additional Executive Leave that is a result of the Fiscal Year 2014-2015 MPP.
 - b. Merit increase or one-time lump sum bonus for the Fiscal Year 2015-2016 MPP.
- 5. Employees participating in the Pilot Program will not be eligible to receive any additional Executive Leave for the Fiscal Year 2015-2016 MPP effective January 2017.

Prior to November 1, 2016, the City and AEA will discuss and evaluate the overall effectiveness of the Pilot Program, including but not limited to issues related to productivity, customer satisfaction and budgetary concerns/issues. The parties agree to discuss the terms related to future implementation of overtime eligibility for any classification represented by AEA and further agree that any future implementation will be by mutual agreement of the parties. The City's intent is that such implementation would result in non-management benefits for any classification that would be eligible for overtime.

This Side Letter shall become effective when signed by all the parties below, and the Pilot Program shall begin at the beginning of the first full pay period upon implementation by the City and shall be effective for twenty-six (26) consecutive pay periods following implementation of the terms and conditions provided for herein. The Pilot Program shall expire at the end of twenty-six (26) consecutive pay periods, and either party may at any

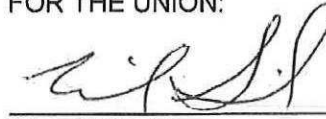
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time terminate the Pilot Program prior to the end of twenty-six consecutive pay periods upon written notice being provided to the other party.

FOR THE CITY:

 3/16/16
Date
Jennifer Schembri
Director of Employee Relations

FOR THE UNION:

 3/16/16
Date
Michael Seville
Business Representative
IFPTE Local 21

 3/16/16
Date
Curtis Jacobson
Fire Chief